

Bureau of Indian Affairs RECEIVED
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**AGREEMENT FOR GOVERNMENT SERVICES**

THIS AGREEMENT ("Agreement") is made as of this 18th day of April, 1994, by and among the LAC COURTE OREILLES BAND OF LAKE SUPERIOR CHIPPEWA INDIANS through its Economic Development Commission ("LCO EDC"), RED CLIFF BAND OF LAKE SUPERIOR CHIPPEWA INDIANS through its Economic Development Commission ("Red Cliff EDC"), SOKAOGON CHIPPEWA COMMUNITY MOLE LAKE BAND OF LAKE SUPERIOR CHIPPEWA INDIANS through its Economic Development Commission ("Sokaogon EDC"), all three of which sovereign Indian Tribes are federally recognized Indian governments organized pursuant to the Indian Reorganization Act of 1934, 25 U.S.C. 461 et seq. (hereinafter collectively referred to as the "Tribes") and the CITY OF HUDSON, Wisconsin ("City"), a Wisconsin municipal corporation located in St. Croix County and the COUNTY OF ST. CROIX, WISCONSIN ("County"), the Wisconsin County in which the City of Hudson is located.

WHEREAS, each of the Tribes are in the process of purchasing an undivided one-third interest in certain land hereinafter described located in the City and seeks to transfer the land to trust status, as provided in the United States Code (25 C.F.R., Part 151) for the purpose of operating jointly through the LCO EDC, Red Cliff EDC, and Sokaogon EDC (collectively, the "EDCs") a Class III gaming facility, as defined in the Indian Gaming Regulatory Act (102 Stat. 2467);

WHEREAS, each of the Tribes have submitted its respective Tribal Resolution (LCO 93-82, Red Cliff 8-5-93 and Sokaogon 9-11-93) and its respective trust petition to the United States Bureau of Indian Affairs seeking to declare such land as trust property for the benefit of the Tribes pursuant to Section 5 of the Indian Reorganization Act of 1934;

WHEREAS, the land underlying the buildings and pari-mutuel dog track and dog kennels, approximately 55.82 acres, and more particularly and legally described in Exhibit "A" annexed hereto ("Indian Lands"), in the process of being acquired by each of the Tribes for use as a Class III gaming and related facilities, will become Indian Lands, which Indian Lands will be under the jurisdiction of each of the respective Tribes and be exempt from taxation and other regulations of the City and County due to the sovereignty of the Tribes and EDCs on Indian Lands;

WHEREAS, the land upon which the parking lot is situated and other land adjacent to the Indian Lands currently owned by Croixland Properties Limited Partnership ("Croixland") and used in its pari-mutuel operations, as more particularly described on Exhibit "B" annexed hereto, will be maintained in fee status, which is taxable property (the "Non-Trust Property");

WHEREAS, the Tribes currently do not possess adequate equipment or personnel to travel from their respective Tribal

communities to provide police, fire and emergency protection and services and public road maintenance, traffic control, education and other services for the Class III gaming and pari-mutuel dog track operation and the related facilities;

WHEREAS, the City of Hudson, and the County of St. Croix have the resources, equipment, personnel, and capability to provide police, fire, water, sewer, ambulance, rescue, emergency medical, education and other services;

WHEREAS, the Tribes, in recognition of the impact of the Class III gaming activity upon the Hudson community, desire to deal equitable with the City and County in all matters;

WHEREAS, the corporate authorities of the City and County are of the opinion that it is in the best interest of the City and County to enter into this Agreement;

WHEREAS, the Tribes, the City and the County are of the opinion that this Agreement is in their mutual best interests.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and understandings contained herein, the parties hereto agree as follows:

1. SERVICES

During the term of this Agreement, the City and County shall provide services to the Class III gaming facility and pari-mutuel dog track located on the Indian Lands, including general government services, public safety, such as police, fire, ambulance, emergency medical and rescue services, and public works in the same manner and at the same level of service afforded to residents and other commercial entities situated in the City and County, respectively.

2. PAYMENT FOR GOVERNMENTAL SERVICES THROUGH CALENDAR YEAR 1995

(a) In consideration of the government services provided and to be provided by the City and County to and for the benefit of the Indian Lands during the period (the "Initial Period") from the date in calendar year 1994 when the Indian Lands are taken into trust by the United States of America resulting in the Indian Lands being exempt from the payment of real estate taxes and assessments and other taxes through December 31, 1995, the Tribes shall pay, as hereafter calculated and allocated, the agreed upon aggregate cost of government services which are allocated to or for the benefit of the Indian Lands (the "Allocable Amount"). The Tribes and the City and County have agreed that such Allocable Amount for the Initial Period is equal to \$1,150,000, based upon the information provided to the Tribes regarding government services

and in contemplation of distribution of the Allocable Amount to the applicable jurisdictions as set forth on Exhibit "C" annexed hereto. Since the payment by the Tribes of the Allocable Amount for the Initial Period is subject to and relates only to the period on and after the date that the Indian Lands are taken into trust by the United States of America and takes into account the projected date upon which the Class III Gaming on the Indian Lands will be open to the public, the Allocable Amount for the Initial Period payable by the Tribes shall be prorated based upon the portion of the Initial Period commencing on or after January 1, 1995 in which the Indian Lands are actually held in such trust. The Tribes shall pay the Allocable Amount (or any pro rata portion thereof) on a semi-annual installment basis to the County, as collection and payment agent, on January 31, 1995 and July 31, 1995, respectively. Upon receipt of each such semi-annual installment, the County shall apportion and distribute such installment to the applicable jurisdictions to effectuate the distribution of the Allocable Amount (or any pro rata portion thereof) in accordance with and in the same percentages as set forth in Exhibit "C" annexed hereto.

(b) Notwithstanding anything to the contrary contained hereinabove, since the Allocable Amount is paying for the cost of government services during the Initial Period, the Allocable Amount (or any pro rata portion thereof) payable by the Tribes for the Initial Period together with any amount paid by Croixland or any other party during calendar year 1994 or 1995 with respect to real estate taxes and assessments and personal property taxes for calendar year 1994 and/or real estate assessments due or payable in future years for the Indian Lands and/or Non-Trust Property shall in no event exceed the Allocable Amount.

3. PAYMENT FOR GOVERNMENTAL SERVICES FOR CALENDAR YEAR 1996 AND EACH CALENDAR YEAR THEREAFTER

(a) The Tribes shall also pay for government services to be provided hereunder to and for the benefit of the Indian Lands during calendar year 1996 and each year thereafter. The Tribes payment for government services for each of calendar years 1996, 1997 and 1998 shall be equal to the Allocable Amount and for each calendar year thereafter commencing with calendar year 1999 shall be determined based upon an adjustment of the Allocable Amount as hereinafter set forth. The aggregate annual payment for government services for each calendar year commencing with 1999 during the term hereof shall be equal to the Allocable Amount, as adjusted (if at all) for the immediately preceding calendar year by this provision, multiplied by 1.05.

The Allocable Amount or adjusted Allocable Amount (as the case may be) payable in any calendar year commencing with calendar year 1996 shall be paid on a semi-annual installment basis made payable to the County, as collection and payment agent, on January

31st and July 31st of each such year. Upon receipt of each such installment, the County shall apportion and distribute such installment to the applicable jurisdictions in accordance with and in the same percentages as set forth in Exhibit "C" annexed hereto.

(b) Each of the City and County hereby further acknowledges and agrees that after the Indian Lands are placed in trust as contemplated hereunder no accrued or unaccrued real estate taxes or assessments or personal property taxes (or any penalties or interest thereon) shall be due or payable with respect to the Indian Lands by any person or entity except for those that the payment thereof is delinquent and overdue as of or prior to the date the Indian Lands are taken into trust. The Tribes hereby agree that on or prior to the Indians Land being taken into trust, the Tribes will cause Croixland to pay any such delinquent and overdue real estate taxes and assessments and personal property taxes (or any penalties or interest thereon) with respect to the Indian Lands and the Non-Trust Property related to any calendar year through 1993. In addition, in the event that the Indian Lands are not taken into trust by the United States of America until after December 31, 1994, the Tribes will cause Croixland to pay a prorata portion, based upon the portion of calendar year 1995 that the Indian Lands are not held in trust, of the real estate taxes and assessments and personal property taxes for calendar year 1994, which prorata portion shall be paid by Croixland to the County, as payment and collection agent, on a semi-annual basis on January 31, 1995 and July 31, 1995, or such other dates agreed to by Croixland and the County and City.

(c) In the event that any installment of the Allocable Amount or adjusted Allocable Amount (as the case may be) is not paid within ten (10) days of its due date, simple interest at the rate of twelve (12%) percent per annum shall accrue from the due date of such installment until such installment is paid in full together with any accrued interest thereon.

#### 4. THE NON-TRUST PROPERTY

Since the Non-Trust Property shall continue to be subject to real estate taxation and assessment, any real estate taxes and assessments and personal property taxes paid with respect to the Non-Trust Property with respect to any calendar year shall be treated as a credit against the payment by the Tribes of the Allocable Amount (as adjusted) for such calendar year; provided, however, that, notwithstanding the foregoing, any increased amount in the real estate taxes and assessments and personal property taxes with respect to the Non-Trust Property in any calendar year arising solely and only from (a) improvements having been made to the Non-Trust Property wholly unrelated to using the Non-Trust Property as a parking lot, (b) the construction of a multi-story parking ramp or garage on the Non-Trust Property or (c) any future special assessments against the Non-Trust Property to the extent

assessed in compliance with the statutes, ordinances and regulations of the City and County on the same basis as other real estate located in such jurisdictions shall not be treated as a credit against the payment by the Tribes of the Allocable Amount (as adjusted); provided further, however, that the Tribes are furnished appropriate written evidence supporting such increased amount. The parties acknowledge that the total payment for government services provided hereunder includes those services provided to or for the benefit of the Non-Trust Property with respect to its use as a parking lot.

#### 5. LIABILITY OF CITY AND COUNTY

The City and County agrees to make available to the Indian Lands and the activities thereon services normally provided by the City and/or County to other commercial users within the City or County at the same cost or charge that is made to other commercial users or without cost or charge (other than general real estate taxation and assessment) if provided without cost or charge to other commercial users (as the case may be). The services provided include, without limitation, police, fire, ambulance, rescue and emergency medical protection, road maintenance, education and access to water, sanitary sewer and storm sewer facilities, and other services that are under the control of the City or County or are customarily provided to other commercial properties within the City or County.

#### 6. LIABILITY OF TRIBES AND ECONOMIC DEVELOPMENT CORPORATIONS

By this Agreement, as to the City and County only, each of the Tribes and each of the EDCs hereby waives any rights of sovereign immunity and each of the Tribes, on behalf of their respective EDC, hereby waives any rights of sovereign immunity which it may confer on its respective EDC only as to matters arising out of this Agreement, the Class III gaming or other activities on the Indian Lands, and only to the extent necessary to allow the City and County to enforce their respective rights under this Agreement, and each of the Tribes and each of the EDCs consents to be sued in and the in personam jurisdiction of the United States District Court for the Western District of Wisconsin, the United States Court of Appeals for the Seventh Circuit and the United States Supreme Court. If, and only if, the United States District Court for the Western District of Wisconsin lacks jurisdiction or refuses to take jurisdiction, then, and only then, each of the Tribes consents to be sued by the City or County in and the in personam jurisdiction of the appropriate court of the State of Wisconsin located in St. Croix County, Wisconsin, wherein an action may be brought for enforcement of this Agreement. Each party hereto agrees to diligently raise any and all arguments for United States District Court venue and jurisdiction.

Said waiver of sovereign immunity is specifically limited to the following actions and judicial remedies: the enforcement of the terms of this Agreement and the enforcement of State and other governmental laws, codes, ordinances and regulations to the extent compliance therewith is required under the respective Tribes' Gaming Compacts of 1991 with the State of Wisconsin. Each of the Tribes agrees to the jurisdiction of the City Police Department on Indian Lands and to submit to the jurisdiction of all other governmental law enforcement agencies for the enforcement of Federal, State, and City criminal laws or ordinances.

Service of Process (Summons and Complaint) may be made upon, and each of the Tribe's and the respective EDC's agent for acceptance of such service of process on them is hereby designated as, either the Gaming Casino Manager, Greyhound Racetrack Manager or the General Manager, as the case may be, who is located on the Indian Lands, or by a copy of the Complaint and Summons sent certified mail, postage prepaid, return receipt requested, to the place for notices, as set forth in this Agreement.

In the event of litigation arising out of this Agreement, the prevailing party in any such litigation shall be entitled to an award and judgment for its reasonable attorneys' fees and costs, but only if said litigation is found to be brought in bad faith or frivolous.

Notwithstanding anything to the contrary contained herein, the enforcement of any award, judgment, order or other legal remedy against either of the Tribes or EDCs or their respective assets arising under or in connection with this Agreement and the authority or jurisdiction of any court in connection with the execution against any of the assets of either of the Tribes or EDCs shall only extend to the assets of the Tribes and/or EDCs located on the Indian Lands described in Exhibit "A" or used in or part of the business operations on the Indian Lands described in Exhibit "A", including revenues generated from such business operations on the Indian Lands described in Exhibit "A" to the extent such revenues have not as yet been distributed to the Tribes or EDCs or paid to any other party.

#### 7. TERMINATION OF AGREEMENT

If the Indian Lands cease to be land held in trust by the United States of America for the benefit of the Tribes or Class III gaming is no longer operated on the Indian Lands, this Agreement shall terminate, subject to the provision set forth in Section 9(b) hereof, and the obligations of the Tribes to make any payments pursuant hereto shall cease. Notwithstanding the foregoing, in the event that this Agreement terminates as a result of Class III gaming no longer being operated on the Indian Lands but the Indian Lands remain in trust, the Tribes, on the one hand, and the City and County, on the other hand, will immediately commence good faith

negotiations in order to reach a written agreement as to the cost of and manner of payment for the government services that will continue to be provided to or for the benefit of the Indian Lands after the cessation of Class III gaming thereon based on the expected use of the Indian Lands thereafter. In the event that the parties have not reached a written agreement within ninety (90) days after the cessation of Class III gaming on the Indian Lands, then the parties agree that the cost of and manner of payment for the government services to be provided by the County and City shall be determined by arbitrators in accordance with the rules for commercial arbitration of the American Arbitration Association ("Association"). Each of the Tribes, on the one hand, and the City and County, on the other hand, will appoint one arbitrator and notify the other of them of such appointment within fifteen (15) days after the expiration of the negotiation period, and the two arbitrators appointed by the parties shall appoint as soon as possible thereafter a third arbitrator who shall be a neutral arbitrator from a panel provided by the Association. The arbitrators in reaching their determination will take into consideration all facts and information presented by both sides (including the value of the Indian Lands based upon its expected future use). The arbitrators shall reach such determination as soon as possible, but in all events within one hundred eighty (180) days after of the cessation of Class III gaming on the Indian Lands. The determination of the arbitrators shall be final, conclusive and binding upon the parties hereto. Each of the two sides shall pay the fees and expenses of the arbitrator appointed by it and fifty (50%) percent of the fees and expenses of the neutral arbitrator.

8. CONDITION OF EFFECTIVENESS OF AGREEMENT

This Agreement and all of the terms and provisions hereof is contingent upon and shall not be enforceable or operative until the final approval of the United States Department of the Interior, Secretary of the Interior ("the "Secretary") regarding the placing of the Indian Lands into trust by the United States of America for the benefit of the Tribes and the Secretary's approval of this Agreement. In the event that a determination is made by the Secretary not to take the Indian Lands into trust or to approve this Agreement, this Agreement shall be null and void and have no further force or effect.

9. COMPLIANCE WITH FEDERAL LAWS AND CERTAIN STATE AND LOCAL LAWS

(a) The Tribes and the EDCs shall comply with (i) all applicable Federal laws relating to or dealing with Class III gaming or employment (such as OSHA, Fair Labor Standards Act, Federal equal opportunity laws and Americans with Disabilities Act) on the Indian Lands, (ii) the City's zoning ordinances and codes and (iii) the State of Wisconsin's workers compensation statutes

and regulations. In no event shall any local statute, law, ordinance or regulation prohibit or restrict in any manner the operations of Class III gaming or greyhound pari-mutuel racing on the Indian Lands or effectively impose any tax, fee or charge on Class III gaming or greyhound pari-mutuel racing.

(b) Notwithstanding the termination of this Agreement, so long as the Indian Lands continue to be held in trust by the United States of America for the benefit of the Tribes, the Tribes and EDCs shall comply with the City's zoning ordinances and codes.

#### 10. NOTICE

All notices, demands, requests, and other communications under this Agreement shall be in writing and shall be deemed properly served when received if delivered by hand or expedited messenger service with proof of receipt to the party to whose attention it is directed or when received if sent, postage prepaid, by registered or certified mail, return receipt requested addressed as follows:

If intended for Tribes  
and/or EDCs:

Lac Courte Oreilles Band of Lake  
Superior Chippewa Indians  
LCO Tribal Office  
Rte 2, Box 2700, Trepania Road  
Hayward, Wisconsin 54843  
Attention: Tribal Chairman

-and-

Red Cliff Band of Lake Superior  
Chippewa Indians  
Tribal Administration Building  
Highway 13  
Bayfield, Wisconsin 54814  
Attention: Tribal Chairperson

-and-

Sokaogon Chippewa Community  
Sokaogon Tribal Office  
Rte 1  
Crandon, Wisconsin 54520  
Attention: Tribal Chairman

If intended for City:

City of Hudson  
505 3rd Street  
Hudson, Wisconsin 54016  
Attention: Mayor



If intended for County: St. Croix County  
1101 Carmichael Road  
Hudson, Wisconsin 54016  
Attention: Chairman.

11. COUNTERPARTS

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Tribes, EDCs, City and County have respectively signed this Agreement and caused their seals to be affixed and attested as of this 18th day of April, 1994.

ATTEST:

  
Secretary of LCO Tribal  
Council

LAC COURTE OREILLES BAND OF LAKE  
SUPERIOR CHIPPEWA INDIANS

By:

  
Chairman

ATTEST:

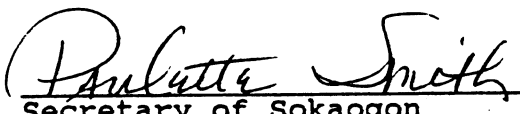
  
Secretary of Red Cliff  
Tribal Council

RED CLIFF BAND OF LAKE SUPERIOR  
CHIPPEWA INDIANS

By:

  
Chairperson

ATTEST:

  
Secretary of Sokaogon  
Tribal Council

SOKAOGON CHIPPEWA COMMUNITY

By:

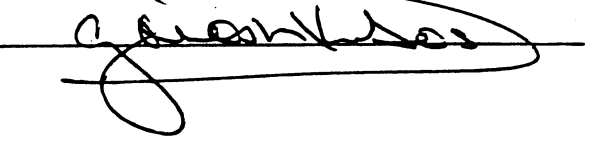
  
Chairman

ATTEST:



LAC COURTE OREILLES ECONOMIC  
DEVELOPMENT COMMISSION

By:



RED CLIFF ECONOMIC DEVELOPMENT  
COMMISSION

ATTEST:

Nora Hillert

By: Edell Duffey

SOKAOGON ECONOMIC DEVELOPMENT  
COMMISSION

ATTEST:

Paula Smith

By: Charles D. Fox

CITY OF HUDSON

ATTEST:

Gerald Berning  
City Clerk

By: Thomas H. Redner  
Mayor

COUNTY OF ST. CROIX

ATTEST:

Joe E. Nelson

By: Richard B. Peterson  
Chairman